中油港燃能源集團控股有限公司
CHINA OIL GANGRAN ENERGY GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8132

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2015

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the "Directors") of China Oil Gangran Energy Group Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

ANNUAL RESULTS

The board of Directors (the "Board") of the Company is pleased to present the consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2015 (the "Financial Year") together with the comparative figures for the year ended 31 March 2014 (the "Previous Financial Year") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	Note	**2015** *HK$*	2014 *HK$*
Turnover	*4*	**79,626,952**	128,260,573
Cost of sales		**(63,496,473)**	(107,236,126)
Gross profit		**16,130,479**	21,024,447
Other income	*5*	**46,300,437**	8,409,757
Selling expenses		**(25,624,243)**	(5,135,387)
Administrative expenses		**(245,220,648)**	(109,383,765)
Loss from operations		**(208,413,975)**	(85,084,948)
Gain on disposal of subsidiaries		**–**	26,648
Finance costs	*7*	**(16,912,546)**	(5,813,809)
Loss before tax		**(225,326,521)**	(90,872,109)
Income tax	*8*	**5,537,893**	2,002,001
Loss for the year	*6*	**(219,788,628)**	(88,870,108)
Other comprehensive (expenses)/income, after tax			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(237,681)**	211,451
Other comprehensive (expenses)/income for the year, net of tax		**(237,681)**	211,451
Total comprehensive expenses for the year		**(220,026,309)**	(88,658,657)

	Note	2015	2014
		HK$	HK$
Loss for the year attributable to:			
Owners of the Company		**(217,075,275)**	(88,677,902)
Non-controlling interests		**(2,713,353)**	(192,206)
		(219,788,628)	(88,870,108)
Total comprehensive expenses for the year attributable to:			
Owners of the Company		**(217,085,887)**	(88,466,451)
Non-controlling interests		**(2,940,422)**	(192,206)
		(220,026,309)	(88,658,657)
Loss per share		***HK$ cents***	*HK$ cents*
Basic	*9*	**(2.68)**	(1.36)
Diluted	*9*	**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2015

	Note	2015 HK$	2014 HK$
Non-current assets			
Property, plant and equipment		**23,340,575**	21,349,582
Goodwill	*11*	**91,489,805**	91,489,805
Intangible assets	*12*	**68,624,500**	92,152,900
Deposit paid for acquisition of a subsidiary	*13*	**47,000,000**	15,000,000
Deposits paid for acquisition of property, plant and equipment	*14*	**–**	9,982,315
		230,454,880	229,974,602
Current assets			
Inventories		**8,283,879**	14,391,476
Trade and other receivables	*14*	**59,012,324**	33,622,229
Contingent consideration receivables	*15*	**42,000,000**	4,669,000
Derivative components of convertible bonds	*18*	**10,159,599**	26,683,000
Bank and cash balances		**100,034,797**	91,155,559
		219,490,599	170,521,264
Current liabilities			
Trade and other payables	*16*	**29,716,839**	27,904,063
Obligation under finance lease		**1,180,644**	–
Due to a Director		**582,238**	911,255
Due to a shareholder		**–**	3,745,895
Promissory notes	*17*	**31,687,292**	64,036,519
Convertible bonds	*18*	**13,314,343**	7,913,460
Borrowings		**2,364,305**	4,444,173
Current tax liabilities		**6,012,995**	5,668,788
		84,858,656	114,624,153
Net current assets		**134,631,943**	55,897,111
Total assets less current liabilities		**365,086,823**	285,871,713

	Note	**2015**	2014
		HK$	*HK$*
Non-current liabilities			
Obligation under finance lease		**2,451,183**	–
Promissory notes	*17*	**82,062,657**	35,720,960
Convertible bonds	*18*	**–**	3,696,205
Deferred tax liabilities		**18,129,819**	24,011,919
		102,643,659	63,429,084
NET ASSETS		**262,443,164**	222,442,629
Capital and reserves			
Share capital	*19*	**877,240**	726,450
Reserves		**264,578,552**	221,788,385
Equity attributable to owners of the Company		**265,455,792**	222,514,835
Non-controlling interests		**(3,012,628)**	(72,206)
TOTAL EQUITY		**262,443,164**	222,442,629

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

	Attributable to owners of the Company									
	Share capital *HK$*	Share premium *HK$*	Statutory reserve *HK$*	Foreign currency translation reserve *HK$*	Share-based capital reserve *HK$*	Convertible bonds equity reserve *HK$*	Retained earnings/ (accumulated losses) *HK$*	Total *HK$*	Non-controlling interests *HK$*	Total equity *HK$*
At 1 April 2013	550,000	29,530,415	2,894,655	82,538	–	–	20,897,395	53,955,003	–	53,955,003
Total comprehensive income for the year	–	–	–	211,451	–	–	(88,677,902)	(88,466,451)	(192,206)	(88,658,657)
Capital injection from non-controlling interests	–	–	–	–	–	–	–	–	120,000	120,000
Placing of shares	121,450	30,114,411	–	–	–	–	–	30,235,861	–	30,235,861
Issue of share for acquisition of a subsidiary	55,000	87,945,000	–	–	–	–	–	88,000,000	–	88,000,000
Recognition of equity-settled share-based payments	–	–	–	–	52,959,000	–	–	52,959,000	–	52,959,000
Lapse of share option	–	–	–	–	(6,511,000)	–	6,511,000	–	–	–
Issuance of convertible bonds	–	–	–	–	–	85,831,422	–	85,831,422	–	85,831,422
Transfers	–	–	330,615	–	–	–	(330,615)	–	–	–
Changes in equity for the year	176,450	118,059,411	330,615	211,451	46,448,000	85,831,422	(82,497,517)	168,559,832	(72,206)	168,487,626
At 31 March 2014	726,450	147,589,826	3,225,270	293,989	46,448,000	85,831,422	(61,600,122)	222,514,835	(72,206)	222,442,629
At 1 April 2014	**726,450**	**147,589,826**	**3,225,270**	**293,989**	**46,448,000**	**85,831,422**	**(61,600,122)**	**222,514,835**	**(72,206)**	**222,442,629**
Total comprehensive income for the year	**–**	**–**	**–**	**(10,612)**	**–**	**–**	**(217,075,275)**	**(217,085,887)**	**(2,940,422)**	**(220,026,309)**
Placing of shares	**145,290**	**141,500,837**	**–**	**–**	**–**	**–**	**–**	**141,646,127**	**–**	**141,646,127**
Recognition of equity-settled share-based payments	**–**	**–**	**–**	**–**	**71,376,348**	**–**	**–**	**71,376,348**	**–**	**71,376,348**
Exercise of share option	**5,500**	**6,209,500**	**–**	**–**	**(3,694,500)**	**–**	**3,694,500**	**6,215,000**	**–**	**6,215,000**
Lapse of share option	**–**	**–**	**–**	**–**	**(31,973,250)**	**–**	**31,973,250**	**–**	**–**	**–**
Issuance of convertible bonds	**–**	**–**	**–**	**–**	**–**	**40,789,369**	**–**	**40,789,369**	**–**	**40,789,369**
Transfers	**–**	**–**	**157,053**	**–**	**–**	**–**	**(157,053)**	**–**	**–**	**–**
Changes in equity for the year	**150,790**	**147,710,337**	**157,053**	**(10,612)**	**35,708,598**	**40,789,369**	**(181,564,578)**	**42,940,957**	**(2,940,422)**	**40,000,535**
At 31 March 2015	**877,240**	**295,300,163**	**3,382,323**	**283,377**	**82,156,598**	**126,620,791**	**(243,164,700)**	**265,455,792**	**(3,012,628)**	**262,443,164**

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Suites 707-9, 7th Floor, Prudential Tower, The Gateway, Tsim Sha Tsui, Kowloon, Hong Kong. The Company's shares are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company and the Group are principally engaged in (i) development of liquefied natural gas, compressed natural gas and related clean energy business; (ii) activities relating to the provision of programming services, web services, mobile marketing solutions and development of mobile phone games; and (iii) sales and manufacture of power cords and inlet sockets for household electric appliances and power and data cords for mobile handsets and medical control devices and raw cables.

These financial statements have been prepared under the historical cost convention, as modified for contingent consideration receivables and derivative components of convertible bonds which are carried at their fair values.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS")

Amendments to HKFRSs and the new Interpretation that are mandatorily effective for the current year

The Group has applied for the first time in the current year the following amendments to HKFRSs and a new Interpretation issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC) – INT 21	Levies

The application of the above new or revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised Standards and Interpretations issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

HKFRS 9	Financial Instruments[6]
HKFRS 14	Regulatory Deferral Accounts[4]
HKFRS 15	Revenue from Contracts with Customers[5]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[3]
Amendments to HKAS 1	Disclosure Initiative[3]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[3]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[3]

[1] *Effective for accounting periods beginning on or after 1 July 2014*

[2] *Effective for accounting periods beginning on or after 1 July 2014 with limited exceptions*

[3] *Effective for accounting periods beginning on or after 1 January 2016*

[4] *Effective for first annual financial statements beginning on or after 1 January 2016*

[5] *Effective for accounting periods beginning on or after 1 January 2017*

[6] *Effective for accounting periods beginning on or after 1 January 2018*

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting. Another revision version of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortised cost or fair value. Under HKFRS 9, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may take an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in fair value of the financial liabilities designated as at fair value through profit or loss was presented in profit or loss

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types on hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedge accounting. In additions, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Directors anticipate that the adoption of HKFRS 9 in the future may have a significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

3. SEGMENT INFORMATION

In prior years, the Group's reportable segments were divided into power cords and inlet sockets for household electric appliances, power and data cords for mobile handsets and medical control devices, raw cables and copper wires.

During the year, the Directors reviewed the nature and financial effects of the Group's business activities and the internal reportable conditions and considered that it is more appropriate to consolidate the business activities relating to the sales and manufacture of power cords and inlet sockets for household electric appliances, power and data cords for mobile handsets and medical control devices and raw cables into power and data cords business and form a single segment. Comparative figures have been restated to conform with the current year's presentation.

The Group's reportable segments are therefore as follows:

1. Clean energy business – engaged in development of liquefied natural gas, compressed natural gas and related clean energy business.

2. Digital application business – engaged in activities relating to the provision of programming services, web services, mobile marketing solutions and development of mobile phone games.

3. Power and data cords business – engaged in sales and manufacture of power cords and inlet sockets for household electric appliances and power and data cords for mobile handsets and medical control devices and raw cables.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in note 3 to the annual consolidated financial statements.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

Segment profit or loss do not include the following items:

– Other income

– Corporate expenses

– Gain on disposal of subsidiaries

– Finance costs

Segment assets do not include the following items:

– Derivative components of convertible bonds

– Available-for-sale financial assets

– Financial assets at fair value through profit or loss

– Other corporate assets

Segment liabilities do not include the following items:

– Promissory notes

– Convertible bonds

– Borrowings

– Other corporate liabilities

Information about reportable segment profit or loss, assets and liabilities:

	Clean energy business *HK$*	Digital application business *HK$*	Power and data cords business *HK$*	Total *HK$*
Year ended 31 March 2015				
Turnover from external customers	**–**	**1,000,314**	**78,626,638**	**79,626,952**
Segment loss	**(9,810,610)**	**(31,759,495)**	**(13,698,384)**	**(55,268,489)**
Interest revenue	**25,756**	**–**	**999**	**26,755**
Interest expenses	**–**	**–**	**259,763**	**259,763**
Depreciation and amortisation	**224,511**	**23,760,041**	**6,141,816**	**30,126,368**
Other material item of income and expense:				
Income tax credit	**–**	**(5,882,100)**	**344,207**	**(5,537,893)**
Additions to segment non-current assets	**2,539,496**	**70,674**	**651,959**	**3,262,129**
At 31 March 2015				
Segment assets	**107,102,498**	**202,531,135**	**60,566,877**	**370,200,510**
Segment liabilities	**1,000,513**	**23,007,716**	**27,308,716**	**51,316,945**

	Clean energy business *HK$*	Digital application business *HK$*	Power and data cords business *HK$*	Total *HK$*
Year ended 31 March 2014				
Turnover from external customers	–	2,112	128,258,461	128,260,573
Segment loss	(613,189)	(5,420,526)	(12,118,738)	(18,152,453)
Interest revenue	643	–	19,308	19,951
Interest expenses	–	–	316,151	316,151
Depreciation and amortisation	–	5,951,944	6,164,846	12,116,790
Other material item of income and expense:				
Income tax credit	–	(1,470,525)	(531,476)	(2,002,001)
Other material non-cash item:				
Impairment losses on goodwill	–	–	5,363,566	5,363,566
Additions to segment non-current assets	–	189,531,590	4,033,578	193,565,168
At 31 March 2014				
Segment assets	46,718,411	188,893,688	81,731,980	317,344,079
Segment liabilities	12,800	27,328,580	32,634,184	59,975,564

Reconciliations of reportable segment turnover, profit or loss, assets and liabilities:

	2015	2014
	HK$	*HK$*
Turnover		
Total turnover of reportable segments	**79,626,952**	128,260,573
Profit or loss		
Total profit or loss of reportable segments	**(55,268,489)**	(18,152,453)
Other income	**46,300,437**	8,409,757
Corporate expenses	**(193,908,030)**	(73,340,251)
Gain on disposal of subsidiaries	**–**	26,648
Finance costs	**(16,912,546)**	(5,813,809)
Consolidated loss for the year	**(219,788,628)**	(88,870,108)
Assets		
Total assets of reportable segments	**370,200,502**	317,344,079
Derivative components of convertible bonds	**10,159,599**	26,683,000
Other corporate assets	**69,654,087**	56,468,787
Consolidated total assets	**450,014,188**	400,495,866
Liabilities		
Total liabilities of reportable segments	**51,316,945**	59,975,564
Promissory notes	**113,749,949**	99,757,479
Convertible bonds	**13,314,343**	11,609,665
Borrowings	**2,364,306**	4,444,173
Other corporate liabilities	**3,193,655**	2,266,356
Obligation under finance lease	**3,631,827**	–
Consolidated total liabilities	**187,571,025**	178,053,237

Geographical information:

	Turnover		Non-current assets	
	2015	2014	**2015**	2014
	HK$	*HK$*	***HK$***	*HK$*
Hong Kong	**2,562,299**	1,231,435	**218,286,005**	214,889,427
PRC	**37,366,132**	82,257,488	**12,168,875**	15,085,175
Taiwan	**14,470,359**	22,890,963	**–**	–
United States	**24,943,006**	21,291,180	**–**	–
Other countries	**285,156**	589,507	**–**	–
Consolidated total	**79,626,952**	128,260,573	**230,454,880**	229,974,602

In presenting the geographical information, turnover is based on the locations of the customers.

Turnover from major customers:

Turnover derived from major customers who contributed 10% or more of total turnover are as follows:

	2015	2014
	HK$	*HK$*
Customer A	**24,943,006**	21,480,477
Customer B	**24,536,661**	23,900,533
Customer C	**14,448,659**	22,840,782
Customer D	**1,813,780***	14,096,703

* *Sales of these customers did not exceed 10% of total revenue in the respective years. These amounts were shown for comparative purpose.*

4. TURNOVER

The Group's turnover represented the following:

	2015	2014
	HK$	*HK$*
Sales of power and data cords and inlet sockets	**78,626,638**	128,258,461
Share of income from mobile commerce	**1,000,314**	2,112
	79,626,952	128,260,573

5. OTHER INCOME

	2015	2014
	HK$	*HK$*
Interest income	**561,271**	21,378
Imputed interest income arising from issuance of promissory notes	**6,467,797**	7,878,535
Exchange gain	**246,008**	–
Fair value gain on convertible bonds' derivative components	**1,429,428**	–
Fair value gain on contingent consideration receivables	**37,331,000**	134,000
Sundry income	**264,933**	375,844
	46,300,437	8,409,757

6. LOSS FOR THE YEAR

Loss for the year is arrived at after charging/(crediting) the following:

	2015	2014
	HK$	*HK$*
Cost of inventories sold	**43,624,553**	67,626,509
Operating lease payments		
– Land and buildings	**–**	3,922,821
– Motor vehicles	**343,776**	284,384
Amortisation	**23,528,400**	5,882,100
Depreciation	**7,409,332**	6,347,430
Allowance on inventories	**5,968,954**	626,887
Other receivables written off	**16,000,000**	130,000
Net foreign exchange losses	**204,141**	1,093,662
Loss on disposals of property, plant and equipment	**49,541**	81,557
Impairment loss on goodwill	**–**	5,363,566
Directors' emoluments	**8,375,048**	22,494,629
Staff costs including Directors' emoluments		
Salaries, bonuses and allowances	**24,399,905**	36,151,474
Equity-settled share-based payments	**9,081,064**	26,044,000
Retirement benefits scheme contributions	**424,634**	5,268,497
	33,905,603	67,463,971
Other equity-settled share-based payments	**62,295,284**	26,915,000
Auditors' remuneration		
– Current	**750,000**	650,000
– (Over)/under-provision in prior year	**–**	(10,000)
	750,000	640,000

7. FINANCE COSTS

	2015	2014
	HK$	*HK$*
Interest on bank borrowings	**11,059**	48,711
Interest on trust receipt loans	**248,703**	267,440
Interest on financial lease	**94,328**	–
Effective interest expenses on convertible bonds wholly repayable within five years	**2,576,383**	236,947
Effective interest expenses on promissory notes		
– Wholly repayable within five years	**10,343,180**	4,697,044
– Not wholly repayable within five years	**3,638,893**	563,667
	16,912,546	5,813,809

8. INCOME TAX

	2015	2014
	HK$	*HK$*
Current tax – Hong Kong Profits Tax		
Provision for the year	**68,022**	106,225
Current tax – PRC Enterprise Income Tax		
Provision for the year	**276,185**	412,501
Over-provision in prior years	**–**	(1,050,202)
	276,185	(637,701)
Deferred tax	**(5,882,100)**	(1,470,525)
	(5,537,893)	(2,002,001)

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the year ended 31 March 2015 (2014: 16.5%).

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

Pursuant to the Enterprise Income Tax rules and regulations of the PRC, the PRC subsidiaries of the Group are subject to Enterprise Income Tax at a rate of 25% (2014: 25%), except for Sun Fair Electric Wire & Cable (Shenzhen) Company Limited ("Sun Fair SZ") is entitled to a preferential tax rate of 15% for the three years since 2012 for being a high technology enterprise.

9. LOSS PER SHARE

Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company of HK$217,075,275 (2014: HK$88,677,902) by the weighted average number of ordinary shares of 8,113,223,288 (2014: 6,514,082,192) in issue for the year ended 31 March 2015.

Diluted loss per share

No diluted loss per share is presented as the share options and convertible bonds have anti-dilutive effects on basic loss per share for the year (2014: Nil).

10. DIVIDEND

No dividend has been paid or declared by the Company during the years ended 31 March 2015 and 2014.

There was no arrangement under which a shareholder has waived or agreed to waive any dividends during the year.

11. GOODWILL

	HK$
Cost	
At 1 April 2013	14,284,967
Arising on acquisition of a subsidiary	91,489,805
At 31 March 2014, 1 April 2014 and 31 March 2015	105,774,772
Accumulated impairment losses	
At 1 April 2013	8,921,401
Impairment loss	5,363,566
At 31 March 2014, 1 April 2014 and 31 March 2015	14,284,967
Carrying amount	
At 31 March 2015	91,489,805
At 31 March 2014	91,489,805

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	2015	2014
	HK$	*HK$*
Digital application business:		
3 Dynamics (Asia) Limited ("3 Dynamics")	**91,489,805**	91,489,805
	91,489,805	91,489,805

Cash generating unit for segment of digital application business ("CGU for digital application")

The recoverable amount is determined based on value-in-use calculation using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rate, terminal growth rate and budgeted gross margin and turnover during the period. The Group estimated the discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the CGU for digital application. The terminal growth rate is based on long-term average economic growth rate of the geographical area in which the businesses of the CGU for digital application operate. Budgeted gross margin and turnover are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the Directors for the next two years (2014: five years) with the residual period using the terminal growth rate of 0% (2014: 3.14%). The pre-tax rate used to discount the forecast cash flows for digital application business is 23.06% (2014: 29.96%).

Cash generating unit for segment of power and data cords business ("CGU for power and data cords")

For the year ended 31 March 2014, the management considers that the carrying amount of goodwill for the power and data cords business of HK$5,363,566 should be fully impaired. This impairment loss has been included in administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

12. INTANGIBLE ASSETS

	Contractual right
	HK$
Cost	
Acquisition of a subsidiary, at 31 March 2014, 1 April 2014 and 31 March 2015	98,035,000
Accumulated amortisation and impairment loss	
At 1 April 2013 and amortisation for the year ended and 31 March 2014	5,882,100
Amortisation for the year ended	23,528,400
At 31 March 2015	29,410,500
Carrying amount	
At 31 March 2015	68,624,500
At 31 March 2014	92,152,900

As at 31 March 2015, the Group possessed a contractual right which represents the design, development, sales and distribution of mobile phone games with popular cartoon characters in the PRC arising from a co-operation agreement with a PRC company, Guangzhou Blue Arc Culture Communication Company Limited ("廣州藍弧文化傳播有限公司") ("Cooperation Agreement"). The Cooperation Agreement has a term of 5 years from 1 March 2013 to 28 February 2018 and is renewable for 5 years subject to negotiation by the parties concerned. In the opinion of the Directors, the contractual right is expected to be available for use by the Group over a useful life of 4.17 years from the date of acquisition and it is being amortised on a straight-line basis over 4.17 years. The remaining amortisation period of the contractual right is 2.92 years (2014: 3.92 years).

The Group determined the recoverable amounts of cash generating unit ("CGU") for digital application business (3 Dynamics (Asia) Limited) based on value in use calculation. That calculation used cash flows projections based on financial budgets approved by management covering a two years period (2014: four years period), and discount rate of 23.06% (2014: 19.40%) for the Cooperation Agreement with reference to the valuation performed by International Valuation Limited (2014: Ascent Partners Valuation Service Limited) as at 31 March 2015. As the recoverable amount of the CGU of digital application business was above the carrying amount, no impairment loss has been recognised.

13. DEPOSIT PAID FOR ACQUISITION OF SUBSIDIARIES

(a) Jian Long Da Holdings Limited

On 10 January 2014, the Company and Mr. Wu Zhi Qiang ("Mr. Wu") entered into a non-legally binding memorandum of understanding (the "MOU") in relation to a proposed acquisition (the "Proposed Acquisition") of the entire issued share capital of Jian Long Da Holdings Limited (the "Target Company") from Mr. Wu. The Target Company is incorporated in Hong Kong and has signed a framework agreement with the People's Government of Wangdu City (the "Wangdu Government"). Pursuant to the framework agreement, the Target Company shall set up a project company in the PRC and the Wangdu Government shall grant the project company the exclusive right to construct and operate the centralized heating facilities in Wangdu City for a term of 30 years. The MOU had expired on 9 October 2014. The deposit of HK$15 million is non-interest bearing, secured by the entire issued share capital of the Target Company and refundable in the event that the Proposed Acquisition is terminated or upon the expiry of the MOU.

On 9 October 2014, the Company and Mr. Wu has entered into a supplemental MOU ("First Supplemental MOU") to extend the exclusivity period for three months; subsequently, on 20 January 2015, the Company and Mr. Wu has further extend the exclusivity period for three months pursuant to the second supplemental MOU ("Second Supplemental MOU"), in addition to the First Supplemental MOU.

(b) Sino Grandway International Investment Limited

On 7 August 2014, the Company and Sino Grandway International Investment Limited (the "Second Target Company") entered into a non-legally binding memorandum of understanding (the "Second MOU") in relation to a proposed investment (the "Proposed Investment") in the Second Target Company. The Second Target Company is an investment holding company incorporated in Hong Kong and its issued share capital is equally held by two independent third parties.

Pursuant to the Second MOU, the Second Target Company will enter into a sale and purchase agreement with one of the shareholders of the Second Target Company (the "Target Shareholder") to acquire the entire equity interest of Luo Yang Chen Xi Mining Company Limited (the "Chen Xi Mining").

Chen Xi Mining is a PRC established company which is wholly owned by the Target Shareholder and principally engaged in the mining and sales of quartz stone and the production of float glass. On 7 August 2014, the Company has paid an earnest money of HK$8,000,000 (the "First Deposit") to the Target Shareholder in accordance with the term of Second MOU. Subsequently on 20 October 2014, the Company had paid the remaining of the said deposit of an earnest money of HK$24,000,000. The First Deposit and the Second Deposit are non-interest bearing, secured by a first-fixed charge over the entire issued share capital of the Second Target Company and is refundable in the event that (i) the Company is in its absolute discretion not satisfied with the results of the due diligence; (ii) the Company is satisfied with the results of the due diligence but the Second Target Company rejects or fails to enter into the formal agreement; (iii) the relevant parties fail to enter into the formal agreement during the period from 7 August 2014 to 6 May 2015; or (iv) by agreement of the parties to the Second MOU.

On 20 October 2014, the Company and the Target Company entered into a supplemental memorandum of understanding (the "Supplemental MOU") in relation to the Proposed Investment. As at the date of the Supplemental MOU, Chen Xi Mining has entered into agreement to acquire 89.06% equity interest in Luoyang Longxin Glass Company Limited*（洛陽龍新玻璃有限公司）("Longxin Glass"), which is undergoing liquidation restructuring (the "Restructuring") in the PRC. As at the date of the Supplemental MOU and after the Restructuring, Longxin Glass owns and will continue to own a glass manufacturing factory. Pursuant to the Supplemental MOU, the Target Company would not acquire the equity interest of Chen Xi Mining. Instead, the Target Company will establish a wholly-owned subsidiary (the "PRC Subsidiary") in the PRC, which will enter into an agreement (the "Agreement") with Longxin Glass, pursuant to which Longxin Glass will engage the PRC Subsidiary to, inter alia, distribute the products of Longxin Glass for 20 years.

The Company shall pay the Target Company a further refundable deposit in the sum of HK$24,000,000 as earnest money (the "Second Deposit") within 7 days from the signing of the Supplemental MOU. The Target Company has irrevocably instructed the Company to pay the Second Deposit to one of the Target Company Shareholders and the payment obligation of the Company under the Supplemental MOU shall be deemed discharged upon the payment of the Second Deposit. The First Deposit and the Second Deposit will be applied as partial payment of the consideration for the Proposed Investment in accordance with the terms of the Formal Agreement.

In addition to the circumstances, which have been stated in the Announcement and to the extent modified by the Supplemental MOU, that the First Deposit shall be returned to the Company, the full amount of the First Deposit and the Second Deposit shall be returned to the Company without interest if, inter alia, (a) the Company is not satisfied with the result of the due diligence review on the Target Company, Longxin Glass and/or other relevant parties; (b) the Target Company fails to establish the PRC Subsidiary within 2 month from the date of the Supplemental MOU (or such other date as agreed by the Company and the Target Company); or (c) the PRC Subsidiary and Longxin Glass fail to enter into the Agreement within 3 months from the date of the Supplemental MOU (or such other date as agreed by the Company and the Target Company).

The repayment obligation of the First Deposit and the Second Deposit is secured by the Deed of Charge.

In addition to the circumstances, which have been stated in the Announcement and to the extent modified by the Supplemental MOU, that the MOU shall be terminated, the MOU and the Supplemental MOU will be terminated if, inter alia, the relevant parties fail to obtain approvals from the relevant authorities in the PRC in relation to the Agreement and the transaction contemplated thereunder.

On 12 February 2015, the Company and the Target Company entered into a non-legally binding second supplemental memorandum of understanding (the "Second Supplemental MOU") in relation to the Proposed Investment.

As at the date of the Second Supplemental MOU, Longxin Glass has completed the Restructuring and Chen Xi Mining has acquired 89.06% equity interest in Longxin Glass. Further, the PRC Subsidiary, which was established by the Target Company, has entered into an exclusive distribution agreement with Longxin Glass, pursuant to which Longxin Glass has engaged the PRC Subsidiary to, inter alia, distribute the products of Longxin Glass for 10 years.

Pursuant to the Second Supplemental MOU, the Company shall sign the Formal Agreement with the shareholders of the Target Company to acquire not less than 51% shareholding interest of the Target Company subject to the fulfillment of the following conditions: (i) the DD Review has been completed and the result of which is to the satisfaction of the Company; and (ii) a professional valuation by an independent valuer acceptable to the Company which values the Target Company at not less than RMB80,000,000 on assumptions acceptable to the Company.

The parties shall sign the Formal Agreement within 7 days from the fulfillment or waiver of the said conditions by the Company (or other date as agreed by the parties in writing). The MOU, the Supplemental MOU and the Second Supplemental MOU shall be terminated and the First Deposit and the Second Deposit in the aggregate amount of HK$32 million shall be returned to the Company if the aforesaid conditions are not fulfilled or waived by the Company within the Exclusivity Period (or such other period as the parties agree in writing).

On 20 February 2015, the Company and the Second Target company had further entered into the third supplemental memorandum of understanding (the "Third MOU"). Pursuant to the Third MOU, the time that necessarily required for satisfying the prerequisite conditions as stipulated in the Second MOU would be further extended for three months.

Further details of the Proposed Investment are set out in the Company's announcements dated 7 August 2014, 20 October 2014 and 12 February 2015.

14. TRADE AND OTHER RECEIVABLES

	2015	2014
	HK$	*HK$*
Trade receivables *(note a)*	**22,887,765**	25,658,345
Impairment *(note a)*	**(4,216,935)**	–
Other receivables *(note b)*	**40,341,494**	17,946,199
	59,012,324	43,604,544
Less: Non-current portion	**–**	(9,982,315)
Total trade and other receivables	**59,012,324**	33,622,229

(a) Trade receivables

The majority of the Group's sales are on credit terms up to 120 days from the end of the month of invoice. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors.

The aging analysis of trade receivables based on the due date is as follows:

	2015	2014
	HK$	*HK$*
Not yet due	**14,430,675**	17,148,150
1 – 30 days	**2,227,110**	3,561,098
31 – 60 days	**–**	690,952
61 – 90 days	**320,041**	1,006,783
91 – 180 days	**1,693,004**	3,251,362
Total	**18,670,830**	25,658,345

As at 31 March 2015, trade receivables of HK$4,240,155 (2014: HK$8,510,195) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of the trade receivables is as follows:

	2015	2014
	HK$	*HK$*
1 – 30 days past due	**2,227,110**	3,561,098
31 – 60 days past due	**–**	690,952
61 – 90 days past due	**320,041**	1,006,783
91 – 180 days past due	**1,693,004**	3,251,362
Total	**4,240,155**	8,510,195

The movements in the provision for impairment of trade receivables are as follows:

	2015	2014
	HK$	*HK$*
At 1 April	**–**	–
Impairment losses recognised	**4,216,935**	–
At 31 March	**4,216,935**	–

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	2015	2014
	HK$	*HK$*
HK$	**7,545,409**	10,548,650
United States dollars ("US$")	**10,237,397**	8,262,010
Renminbi ("RMB")	**888,024**	6,847,685
Total	**18,670,830**	25,658,345

(b) Other receivables

	2015	2014
	HK$	*HK$*
Advances to staff	**81,875**	1,376,527
Deposits paid for acquisition of property, plant and equipment	**–**	9,982,315
Prepayments and other deposits paid	**39,913,683**	5,751,398
Others	**345,936**	835,959
	40,341,494	17,946,199

15. CONTINGENT CONSIDERATION RECEIVABLES

	HK$
Fair value of contingent consideration receivables upon completion of acquisition of 3 Dynamics at the Acquisition Date	4,535,000
Fair value gain for the year	134,000
Fair value of contingent consideration receivables at 31 March 2014	4,669,000
Realisation of contingent consideration receivables upon maturity date	37,331,000
Fair value of contingent consideration receivables at 31 March 2015	42,000,000

As disclosed elsewhere to the annual report, the Group acquired the entire issued share capital of 3 Dynamics on 31 December 2013 (the "Acquisition Date").

Pursuant to the terms of the sale and purchase agreement dated 21 November 2013 ("SPA"), Mr. Chung Wai Sum (the "Vendor") irrevocably and unconditionally warrants and guarantees to Dynamics Miracle Limited, a subsidiary of the Company (the "Purchaser") that the audited net profit after tax of 3 Dynamics for the upcoming 12 months after the Acquisition Date (the "Audited Net Profit") shall not be less than HK$42,000,000 (the "Profit Guarantee"). The Profit Guarantee is secured by 28,000,000 consideration shares of the Company issued to the Vendor (the "Secured Shares"). In the event that the Audited Net Profit is less than the amount of Profit Guarantee, the Vendor is required to pay the shortfall of the Profit Guarantee to the Purchaser. In the event that the Profit Guarantee is not achieved, the Vendor and the Purchaser shall jointly sell the Secured Shares appropriately and settle the shortfall from the net proceeds. If the net proceeds are not sufficient to cover the sum of the shortfall, the Vendor shall pay to the Purchaser the difference in cash within 7 business days after the sale. In the event that 3 Dynamics records a loss in its Audited Net Profit, the Audited Net Profit shall be deemed as zero.

Subsequent to the year ended 31 March 2015, under terms and conditions as stipulated in the SPA, the consideration shares are to be sold in order to pay the proceeds under the Profit Guarantee of the nominal value of the contingent consideration receivables due to the fact that the Audited Net Profit is below benchmark; and it is deemed as zero profit or loss.

The fair value of HK$42,000,000 (2014: HK$4,669,000) represents the nominal amount of cash to be received for the Profit Guarantee which has been determined by the Board of Directors in light of the fact that the Profit Guarantee became matured.

16. TRADE AND OTHER PAYABLES

	2015	2014
	HK$	*HK$*
Trade payables *(note a)*	**8,496,248**	11,637,215
Other payables *(note b)*	**21,220,591**	16,266,848
Total trade and other payables	**29,716,839**	27,904,063

(a) Trade payables

The Group normally obtains credit terms ranging from 30 days to 120 days from its suppliers. The aging analysis of trade payables based on the due date is as follows:

	2015	2014
	HK$	*HK$*
Not yet due	**8,395,721**	11,013,459
1 – 30 days past due	**63,068**	545,726
31 – 60 days past due	**24,144**	41,022
61 – 90 days past due	**4,958**	8,296
91 – 180 days past due	**8,357**	28,712
	8,496,248	11,637,215

The carrying amounts of the Group's trade payables are denominated in the following currencies:

	2015	2014
	HK$	*HK$*
HK$	**7,070,410**	9,657,531
RMB	**561,367**	1,663,484
US$	**864,471**	316,200
Total	**8,496,248**	11,637,215

(b) Other payables

	2015	2014
	HK$	*HK$*
Receipts in advance	**–**	1,709,003
Accruals	**4,333,263**	2,996,494
Other tax payables	**854,200**	1,795,198
Salary and welfare payables	**9,778,866**	8,339,160
Others	**6,254,262**	1,426,993
	21,220,591	16,266,848

17. PROMISSORY NOTES

	2015	2014
	HK$	*HK$*
Proceeds from issue	**74,900,000**	71,637,760
Imputed interest income arising from issuance of promissory notes	**(6,467,797)**	(7,878,535)
Issue for acquisition of a subsidiary	**–**	38,673,000
Fair value at issue date	**68,432,203**	102,432,225
At 1 April	**99,757,479**	–
Imputed interest charged	**13,982,073**	5,260,711
Interest paid	**(5,936,000)**	(250,000)
Early redemption	**(63,467,500)**	(8,000,000)
Loss on early redemption	**981,694**	314,543
At 31 March	**113,749,949**	99,757,479
Analysed as:		
Current liabilities	**31,687,292**	64,036,519
Non-current liabilities	**82,062,657**	35,720,960
	113,749,949	99,757,479

The promissory notes are unsecured, bearing interest at rates from 7% to 10% per annum and whose maturity dates are ranging from 1 to 7 years from the dates of issue. The effective interest rates of the promissory notes are ranging from 9.857% to 21.114% per annum.

During the year, the Company issued unsecured promissory notes with aggregate principal amounts of HK$74,900,000 (2014: HK$119,360,000). The proceeds from the issuance of promissory notes are be used as general working capital of the Group, financing future investment opportunities and as part of the consideration for the acquisition as disclosed in notes to these consolidated financial statements.

At any time prior to the maturity date, the Company has sole discretion elect to redeem the promissory notes, in whole or in part (in the amounts of not less than HK$1,000,000 or an integral multiple thereof or such other amounts that agreed between the Company and promissory note holders), at a redemption price equal to 100% of the principal amount of the promissory note, plus accrued and unpaid interest thereon the redemption date.

The early redemption option of promissory note is regarded as an embedded derivative not closely related to the host contract and shall be separately accounted for as a derivative financial instrument. In the opinion of the Directors, the fair value of the early redemption option was considered no value.

A promissory note issued to a shareholder with carrying amount of HK$32,522,293 was included in the balance as at 31 March 2014. The promissory note is unsecured, bearing interest of 3% per annum and repaid during year ended 31 March 2015.

18. CONVERTIBLE BONDS

	2015	2014
	HK$	*HK$*
Liabilities component:		
Convertible bonds with principal amount of:		
– HK$55,500,000 (“CB1”)	**4,125,151**	9,103,132
– HK$15,600,000 (“CB2”)	**1,547,737**	2,506,533
– HK$22,100,000 (“CB3”)	**3,985,670**	–
– HK$20,600,000 (“CB4”)	**3,655,785**	–
	13,314,343	11,609,655
Analysed as:		
Current liabilities	**13,314,343**	7,913,460
Non-current liabilities	**–**	3,696,205
	13,314,343	11,609,665

On 24 January 2014, 20 March 2014, 28 May 2014 and 21 July 2014, the Company issued unsecured convertible bonds with principal amount of HK$55,500,000 (the "CB1"), HK$15,600,000 (the "CB2"), HK$22,100,000 (the "CB3") and HK$20,600,000 (the "CB4") respectively. The maturity dates of CB1, CB2, CB3 and CB4 are 23 July 2015, 20 September 2015, 27 November 2015 and 20 January 2016 respectively. CB1, CB2, CB3 and CB4 are interest-bearing at 12.5% per annum and payable in arrears at first anniversary and upon its maturity dates. The bond holders of CB1, CB2, CB3 and CB4 have the rights to convert the bonds into ordinary shares of the Company at any time on the business day after the 12 months from the date of issuance of the bonds until the maturity date at the initial conversion price of HK$2.37 (the "Conversion Price"), subject to anti-dilutive protection adjustments. The Conversion Price was adjusted to HK$0.237 per share due to subdivision of every 1 ordinary share of HK$0.001 each in the share capital of the Company into 10 new ordinary shares of HK$0.0001 each on 25 March 2014.

In addition to the above, at any time before the maturity dates (the "Conversion Period"), the Company may early redeem all or part of the CB1, CB2, CB3 and CB4 at principal amount plus any accrued and unpaid interest thereon the redemption date. Besides, during the Conversion Period, the bond holders of CB1, CB2, CB3 and CB4 are deemed to convert all outstanding convertible bonds provided that the average closing price of the shares of the Company for immediately preceding ten consecutive trading days exceeds HK$0.32, which is 35% more than the prevailing Conversion Price.

If any principal amount of the CB1, CB2, CB3 and CB4 which have not been redeemed or converted in accordance with the terms and conditions of the convertible bond instruments by its respective maturity dates shall be (i) converted into the conversion shares on the maturity date or (ii) in the event that the conversion of the CB1, CB2, CB3 and CB4 will trigger a mandatory offer obligation under the takeovers code, be redeemed by the Company on the maturity date at a redemption amount equal to 100% of the principal amount of the outstanding convertible bonds.

CB1, CB2, CB3 and CB4 contain three components, a redemption call, a liability and an equity component. The equity component is presented in equity as part of the "convertible bonds equity reserves". The effective interest rate of the liability component for the CB1, CB2, CB3 and CB4 are 13.33% per annum, 13.30% per annum, 12.83% per annum and 18.70% per annum respectively. The redemption call is measured at fair value and recorded as derivative financial instruments under "Derivative components of convertible bonds" in the consolidated statement of financial position, with any changes in fair value being charged or credited to the consolidated profit or loss and other comprehensive income in the year when change occurs.

The net proceeds received from the issue of CB1, CB2, CB3 and CB4 have been split between the derivative component of convertible bonds, liability and equity component, as follows:

	CB1	CB2	CB3	CB4	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
Liabilities component:					
At 1 April 2013 and proceeds from issue	54,945,000	15,444,000	–	–	70,389,000
Equity components	(46,067,603)	(12,948,679)	–	–	(59,016,282)
Liability components	8,877,397	2,495,321	–	–	11,372,718
Imputed interest charged	225,735	11,212	–	–	236,947
At 31 March 2014 and at 1 April 2014	9,103,132	2,506,533	–	–	11,609,665
Proceeds from issue	–	–	21,879,000	20,394,000	42,273,000
Equity components	–	–	(18,278,108)	(17,229,097)	(35,507,205)
Liability components recognised	9,103,132	2,506,533	3,600,892	3,164,903	18,375,460
Imputed interests charged	1,334,519	366,204	384,778	490,882	2,576,383
Interest paid	(6,312,500)	(1,325,000)	–	–	(7,637,500)
At 31 March 2015	4,125,151	1,547,737	3,985,670	3,655,785	13,314,343
Derivative components:					
At 1 April 2014 and at date of issue	20,515,770	6,299,370	–	–	26,815,140
Fair value change for the year	(60,770)	(71,370)	–	–	(132,140)
At 31 March 2014	20,455,000	6,228,000	–	–	26,683,000
Initial recognition	–	–	2,731,614	2,550,550	5,282,164
Fair value change	(17,686,695)	(5,548,298)	809,017	620,411	(21,805,565)
At 31 March 2015	2,768,305	679,702	3,540,631	3,170,961	10,159,599

The Directors estimate the fair values of the liability components of the CB1, CB2, CB3 and CB4 at 31 March 2015 to be approximately HK$4,125,151, HK$1,547,737, HK$3,985,670 and HK$3,655,785 respectively. These fair values have been calculated by discounting the future cash flows at an equivalent market interest rate for a similar bond without a conversion option (level 3 fair value measurements).

The derivative components of convertible bonds are measured at its fair values at the date of issues and at the end of each reporting period. The fair values of derivative components of convertible bonds for CB1, CB2, CB3 and CB4 are estimated using Binomial Option Pricing Model (level 3 fair value measurements) and were valued by the independent valuer, International Valuation Limited. The key assumptions used are as follows:

	CB1		CB2		CB3		CB4	
	At 31 March 2015	At date of issue	At 31 March 2015	At date of issue	At 31 March 2015	At date of issue	At 31 March 2015	At date of issue
Share price	HK$0.09	HK$1.29	HK$0.09	HK$1.34	HK$0.090	HK$0.142	HK$0.090	HK$0.121
Risk free rate	0.025%	0.32%	0.38%	0.35%	0.066%	0.245%	0.083%	0.246%
Dividend yield	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility	70.17%	102.43%	70.17%	102.69%	70.17%	110.958%	70.17%	110.225%
Yield spread	13.33%	13.33%	13.3004%	13.30%	12.8291%	12.8291%	15.436%	18.70%

	CB1		CB2	
	At 31 March 2014	At date of issue	At 31 March 2014	At date of issue
Share price	HK$0.13	HK$1.29	HK$0.13	HK$1.34
Risk free rate	0.37%	0.32%	0.40%	0.35%
Dividend yield	Nil	Nil	Nil	Nil
Expected volatility	106.45%	102.43%	103.46%	102.69%
Yield spread	13.66%	13.33%	13.09%	13.30%

19. SHARE CAPITAL

	Note	Number of shares	Amount
	Note		*HK$*
Authorised:			
Ordinary shares of HK$0.0001 (2013: HK$0.001) each			
At 1 April 2013		1,000,000,000	1,000,000
Share subdivision		9,000,000,000	–
At 31 March 2014, 1 April 2014 and 31 March 2015		**10,000,000,000**	**1,000,000**
Issued and fully paid:			
Ordinary shares of HK$0.0001 (2014: HK$0.0001) each			
At 1 April 2012, 31 March 2013 and 1 April 2013		550,000,000	550,000
Issue of shares by placement	*(a)*	110,000,000	110,000
Issue of shares by placement	*(b)*	11,450,000	11,450
Issue of shares upon acquisition of a subsidiary	*(c)*	55,000,000	55,000
Share subdivision	*(d)*	6,538,050,000	–
At 31 March 2014 and at 1 April 2014		7,264,500,000	726,450
Issue of shares by placement	*(e)*	1,452,900,000	145,290
Issue of shares by share option scheme	*(f)*	55,000,000	5,500
At 31 March 2015		**8,772,400,000**	**877,240**

Notes:

(a) On 4 July 2013, the Company issued 110,000,000 ordinary new shares at a subscription price of HK$0.12 per share for a total cash consideration of HK$13,200,000. The premium on the issue of shares amounting to HK$12,736,825, net of share issue expenses, was credited to the Company's share premium account.

(b) On 2 December 2013, the Company issued 11,450,000 ordinary new shares at a subscription price of HK$1.56 per share for the total cash consideration of HK$17,862,000. The premium on the issue of shares amounting to HK$17,377,586, net of share issue expenses, was credited to the Company's share premium account.

(c) During the year, the Company issued 55,000,000 ordinary new shares at the issue price of HK$1.60 per share to the Vendor as partial settlement of the consideration for the acquisition of 3 Dynamics.

(d) Pursuant to an ordinary resolution passed on 24 March 2014, each of the issued and unissued ordinary share of HK$0.001 each in the share capital of the Company be subdivided into ten new ordinary shares of HK$0.0001 each.

(e) On 24 September 2014, the Company issued 1,452,900,000 ordinary new shares at a subscription price of HK$0.1 per share for a total cash consideration of HK$145,290. The premium on the issue of shares amounting to HK$141,500,837, net of share issue expenses, was credited to the Company's share premium account.

(f) On 5 January 2015, the Company issued 55,000,000 ordinary new shares at a subscription price of HK$0.113 per share for exercising the share option for total cash consideration of HK$6,215,000.

20. EVENTS AFTER THE REPORTING PERIOD

(a) On 9 April 2015, the Company entered into a third supplemental memorandum of understanding ("Third Supplemental MOU") made pursuant to the memorandum of understanding the Company entered into on 10 January 2014 ("MOU"). Pursuant to the MOU, the Vendor shall (and shall procure his agents and adviser not to) during the period of 9 months from the date of the MOU directly or indirectly negotiate with any third party on any sale or transfer of any shares or material assets of the Target Company. The Exclusivity Period was extended for further 9 months by the Supplemental MOU, the Second Supplemental MOU and the Third Supplemental MOU from the date of the first MOU, i.e. 10 January 2014.

Details of the MOU are set out in the Company's announcements dated 10 January 2014, 9 October 2014, 20 January 2015 and 9 April 2015 respectively.

(b) On 29 April 2015, the Company announced that Mr. Tse Yee Hin, Tony ("Mr. Tse") has tendered his resignation as a Non-Executive Director of the Company with effect from 30 April 2015, due to his other business engagements which require more of his time and dedication. Mr. Tse has confirmed that he has no disagreement with the Board.

(c) On 13 May 2015, the Company announced that 3 Dynamics (Asia) Limited (the "Vendor") has recorded a net loss after tax in its audited financial statement for the period from 11 December 2013 to 10 December 2014. As pursuant to the Sale and Purchase Agreement in relation to the acquisition of the entire issued share capital of the Vendor, the Vendor has irrevocably and unconditionally warranted and guaranteed to the Company that the audited net profits after tax of the Target Company as shown in its audited financial statement for the Relevant Period shall not be less than HK$42,000,000 (the "Profit Guarantee").

The Company shall instruct a licensed securities dealer to dispose of (the "Sale") the number of Escrow Shares appropriately sufficient to pay the Profit Guarantee at the then best price it reasonably obtained and thereafter, pay the net proceeds of the Sale to the Purchaser and release the share certificates of the remaining Escrow Shares (if any) to the Vendor.

Details of the Profit Guarantee in relation to the acquisition are set out in the Company's announcement dated 15 August 2013, 25 October 2013, 21 November 2013, 18 December 2013 and 13 May 2015.

(d) On 20 May 2015, the Company completed an automatic conversion of Convertible Bonds 1 and Convertible Bonds 2.

Reference is made to the announcement of 20 December 2013, 6 January 2014 and 27 January 2014 respectively in relation to the placing of the convertible bonds of an aggregate principal amount of HK$55,500,000 with the maturity date of 23 July 2015 (the "Convertible Bonds 1"). Reference is also made to the Company's announcement dated 19 February 2014 and 20 March 2014 respectively in relation to the placing of the convertible bonds of an aggregate principal amount of HK$15,600,000 with the maturity date of 19 September 2015 (the "Convertible Bonds 2").

Pursuant to the respective terms and conditions of the Convertible Bonds 1 and Convertible Bonds 2, if, at any time during the Conversion Period, the average closing price per share for 10 consecutive trading days exceeds (but does not include) HK$3.20, which is 35% more than the Conversion Price (the "Automatic Conversion Price"), the holders of the Convertible Bonds 1 and the Convertible Bonds 2 shall be deemed to have exercised their rights to convert all outstanding convertible bonds and such convertible bonds will be automatically converted into conversion shares at the Conversion Price which is subject to adjustment in accordance with the respective terms and conditions of the Convertible Bonds 1 and Convertible Bonds 2 (the "Automatic Conversion").

The Company conducted a share subdivision (the "Share Subdivision") as disclosed in the Company's circular dated 28 February 2014 and announcement dated 24 March 2014. Hence, the conversion price of both Convertible Bonds 1 and the Convertible Bonds 2 has been adjusted from HK$2.37 per share to HK$0.237 per Share (the "Adjusted Conversion Price"). Also, the Automatic Conversion Price has been adjusted from HK$3.2 per Share to HK$0.32 per Subdivided share as confirmed by the auditors of the Company.

The average closing price per share for 10 consecutive trading days up to and including 19 May 2015 is HK$0.321, which is above the adjusted Automatic Conversion Price of HK$0.320.

The Company allotted and issued a total of 234,177,203 shares (the "Automatic Conversion Shares 1") and 65,822,781 shares (the "Automatic Conversion Shares 2") to the holders of the Convertible Bonds 1 and Convertible Bonds 2 respectively as a result of the Automatic Conversion.

FINANCIAL REVIEW

The Group's turnover for the Financial Year was approximately HK$79.6 million, representing a decrease of approximately 38.0% as compared to approximately HK$128.3 million of the last year. Such decrease in the turnover was mainly attributable to the decrease in turnover from power and data cords for household appliances, mobile headset and medical devices.

The Group's loss attributable to owners of the Company for the Financial Year was approximately HK$217.1 million, representing an increase of approximately 144.8% as compared to the loss of approximately HK$88.7 million of the last year. The increase in loss was mainly due to (i) the substantial increase in legal and professional fee and consultation expenses by HK$70.9 million from HK$29 million of the last year to HK$99.9 million of the Financial Year as a result of the appointment of a market solution company to assist the Group in seeking business opportunities and in formulating public relations strategies in order to expand its business scope; (ii) the increase in finance costs by approximately HK$11.1 million from HK$5.8 million of the last year to approximately HK$16.9 million of the Financial Year, mainly arising from further issuance of promissory notes and convertible bonds during the Financial Year; and (iii) the decrease in gross profit of the power and data cord business by approximately 23.3% from HK$21 million of the last year to HK$16.1 million of the Financial Year resulting from the continuous fierce market competition in the business of sales of power and data cords for mobile headsets and household appliances.

During the year ended 31 March 2015, the Group has recorded an impairment loss on other receivable and deposit paid for acquiring property, plant and equipment which were in approximate amounts of HK$16 million and HK$10 million respectively.

The other receivable of approximately HK$16 million represents a deposit paid for an early stage of possible merger and acquisition to an independent third party. The impairment loss has been made in light of the fact that the said third party has not honored the contract that he and the Company have originally agreed from which the entire deposit should have been refunded on or before 31 March 2015.

Pursuant to the consultant agreement dated 1 November 2013 (the "Consultant Agreement"), an unsecured deposit of HK$8,000,000 was paid to an independent consultant of the Group for a proposed acquisition of a piece of land located in Hong Kong. The principal shall be refunded to the Group in the event that no formal sale and purchase agreement is entered by the Group on or before 30 May 2014 which has been extended to 30 August 2014.

Subsequent to 30 August 2014, as no formal sale and purchase agreement has been singed, the deposit and the interest receivable shall have been refunded and realized immediately according to those terms contained in the Consultant Agreement; however, the Group has experienced delinquencies in receiving not only interest payment but also the principal. Thus, the deposit of approximately HK$10 million in total has been written off in its entire amount.

The Board does not recommend the payment of final dividend for the Financial Year.

BUSINESS REVIEW

In order to diversify its operating risks and expand its sources of income, the Group continuously and proactively sought to capture a full spectrum of development strategies and investment opportunities. In December 2013, the Group completed its acquisition of the entire issued share capital of 3 Dynamics (Asia) Limited ("3 Dynamics"), a company principally engaged in the development of digital applications (APPs), including but not limited to handheld electronic game consoles, mobile game applications and digital marketing solutions. As the gaming digital application business was still in its development stage, it has yet contributed substantial revenue to the Group during the Financial Year.

In addition, in order to seize opportunities in the rapidly-evolving natural gas market in Mainland China as well as to optimise the Group's development prospects in a strategic manner, the Group contributed capital in conjunction with two strategic collaborative partners to establish a joint venture company (the "JV Company") in Mainland China for conducting the business of LNG, CNG and related clean energy, for which the Group acts as the controlling shareholder and holds a 51%-stake. The JV Company was formally set up in January 2014 and its registered capital of RMB100 million was fully paid up during the Financial Year. Currently, the business of the JV Company will be focused on the conversion of traditional diesel utilization to LNG utilization by vessels in the water transportation industry. Symbolising the Group's milestone in its long term development, the joint venture project enabled the Group to participate in the blooming China natural gas market. The Group will continue to broaden its development in the natural gas market in Mainland China and participate in other clean energy business should opportunities arise.

Regarding the Group's geographical operational structure, remained to be the major markets for its business, with the aggregate turnover from Hong Kong and Mainland China accounted for approximately 50.1% (2014: approximately 50.1%) of the Group's total turnover for the Financial Year. The turnover from other overseas markets, including the United States, accounted for approximately 49.9% (2014: approximately 35%) of the Group's total turnover for the Financial Year.

Power and Data Cords Business

The power and data cords business in aggregate contributed a turnover and gross profit for the Financial Year of HK$78.6 million (2014: HK$128.3 million) and HK$15.1 million (2014: HK$21 million) respectively to the Group, representing a decrease of approximately 38.7% and 23.3% respectively as compared to the last year. Nevertheless, aggregate gross profit margin increased from approximately 16.4% of the last year to approximately 23.3% of the Financial Year as a result of the successful cost control of the business during the Financial Year.

Power Cords and Inlet Sockets for Household Electric Appliances

Turnover from power cords and inlet sockets for household electric appliances was approximately HK$22 million (2014: approximately HK$36 million), representing a decrease of approximately 38.9% as compared to the last year.

The Group's power cords and inlet sockets used in household electric appliances received safety approvals and/or certificates in many countries, many of which also received eleven types of international safety standards. Although the turnover from such business experienced a downturn during the Financial Year due to fierce market competition, the Group believes that the high standard of these products can satisfy market expectation and customer needs and the business can contribute a stable source of income for the Group. The Group will review its market strategies and make prompt adjustment with the hope to maintain a steady growth for the business in the long run.

Power and Data Cords for Mobile Phones and Medical Control Devices

Market competition in the sector remained fierce during the Financial Year. As such, the Group focused on those customer groups with high profit margins and rigorously controlled its production costs. As a result, the Group's turnover from power and data cords for mobile phones recorded a decrease of 56.4% from approximately HK$70.7 million of the last year to approximately HK$30.8 million of the Financial Year.

The power and data cords for mobile phones are generally used for power charging and data transfer and are essential accessories for all mobile handsets. The enormous demand for telecommunication devices, especially in the PRC, facilitated the Group to produce power and data cords of different specifications, including high speed USB connectors and data cord products, which can support higher data transmission speed and better audiovisual output quality. All our products conform to the standards of mobile handset designs set by USB Implementers Forum, Inc.

For the Financial Year under review, the Group's turnover from power and data cords for medical control devices was approximately HK$24.9 million (2014: approximately HK$21.3 million), representing an increase of approximately 16.9% as compared to the last year.

The power and data cords for medical control devices are multi-functional products which are mainly exported to a customer in the United States. The devices are then used for further assembly and are processed into final products (which include keyboard, pillow speakers, bed controls, bed cables and call cords to be sold to hospitals and clinics). The keyboard products newly introduced in the last financial year has become a new income source of the Group within this business segment.

Development of Digital Applications

During the Financial Year, the development of gaming digital business of 3 Dynamics was still in the development stage with potential business partners. As such, the Group recorded a loss of approximately HK$31.8 million which has included approximately $23 million of intangible asset amortization for the Financial Year. Nevertheless, the management of the Group will closely monitor the progress of the development of new business and is confident that the business will contribute a promising revenue and profit to the Group upon its formal involvement in the highly blooming market of mobile phone games in the years to come.

Pursuant to the sale and purchase agreement ("SPA") in respect of the acquisition of 3 Dynamics, the vendor had guaranteed to the purchaser that the audited after-tax net profits of 3 Dynamics for the 12 months from the date of the completion of acquisition, i.e. for the period from 11 December 2013 to 10 December 2014, shall not be less than HK$42 million (the "Profit Guarantee"). The Profit Guarantee is secured by 280,000,000 consideration shares of the Company issue to the vendor. As shown in its audited financial statement, 3 Dynamics incurred an audited net loss after tax during the relevant profit guarantee period. Hence, the Group is entitled to a compensation of HK$42 million from the vendor. In accordance with the SPA, the Group is entitled to receive the compensation through the sales of the part of the consideration shares issued to the vendor which were previously pledged to the Group as security. Subsequently, after the year ended 31 March 2015, under terms and conditions as stipulated in the SPA, the consideration shares are to be sold in order to pay the proceeds under the Profit Guarantee. Details of the treatment of the pledged consideration shares was disclosed in the Company's announcement dated 13 May 2015. Further details are set out in note 23 of the consolidated financial statements.

Natural Gas and Clean Energy Business

In January 2014, a joint venture company, namely, Jiangxi China Oil Gangran Energy Technology Company Limited (江西中油港燃能源科技有限責任公司) (the "JV Company") was set up for developing the businesses of LNG, CNG and related clean energy, including but not limited to the conversion of traditional diesel utilization to LNG utilization by vessels for water transportation ("Vessel LNG Utilization Conversion"). The JV Company is owned by the Group and another two joint venture partners, namely, Zhongyou Yingtai and Zhongwaijian as to 51%, 40% and 9% respectively.

During the Financial Year, the Group's natural gas business was in the preparation stage before the commencement of business. As at 31 March 2015, the JV Company has been set up with an office premises leased and recruited clerical staff and was ready to liaise with potential customers in the Ganjiang River area of the Jiangxi Province to provide service to vessel owners to convert traditional diesel utilization to LNG utilization by vessels.

With support from China's policies for the development of the energy-saving and environmental protection sector (including but not limited to the 12th Five-Year Plan and the Guiding Opinions), it is expected that clean energy (such as natural gas) consumption in industrial, civil, transportation and other fields will increase, and that LNG, CNG and related clean energy will enjoy bright prospects in the market of sustainable development.

The Board also believes that the joint venture business will enable the Group to diversify its sources of revenue and enhance its long-term profitability in the years to come.

CHANGE OF COMPANY NAME AND WEBSITE

In order to better reflect the Group's corporate image of devoting itself to business expansion to the field of natural gas and clean energy, as well as the advantages attained by the Group through its collaboration with leading and professional natural gas operator in mainland China, the Company's English name has been officially changed to "China Oil Gangran Energy Group Holdings Limited" effective from 23 April 2014, and "中油港燃能源集團控股有限公司" has already been adopted as the Company's Chinese name.

Effective from 23 April 2014, the Company's websites have been changed to www.chinaoilgangran.com and http://chinaoilgangran.todayir.com, in order to reflect the change of the Company's name.

OUTLOOK

During the Financial Year under review, despite the fierce competition in the sector of power and data cord business in which the Group operated, it consistently conducted its business in a steadfast manner, and cautiously reviewed and, by seizing the opportune moment, continued to expand its customer groups. Although the power and data cords business experienced a downturn during the Financial Year, it is expected to continue to be the Group's major source of revenue in the foreseeable future.

In 2014, China's market of mobile phone games was continued to boom despite in its nascent stage, it can be foreseen that the development of mobile phone games will continue to grow as smartphones are gaining further popularity in the country, and the Board is optimistic about the Chinese market of mobile phone games which shows tremendous growth potential. 3 Dynamics, in which the Group successfully acquired its entire interests last year, has sophisticated experience in developing games, owns a vast array of cartoon character resources and is supported by its strong distributor partners, and hence the Board believes that the Group's profitability can be further enhanced through 3 Dynamics in the years to come.

On the other hand, the Energy Conservation and Emission Reduction Twelfth Five-Year Plan (《節能減排十二五規劃》) promulgated by the State Council of China has directed the country to promote energy conservation and emission reduction as key strategies for the period covered by the Twelfth Five-Year Plan. In this connection, adjusting the energy structure and encouraging the application of natural gas are among the major initiatives. The National Energy Administration estimates that China's natural gas consumption will have reached 230 billion cubic metres in 2015 (compared with the apparent consumption of 167.6 billion cubic metres in 2013). The Group believes that natural gas, being an important component of energy conservation and emission reduction, is in line with the country's future strategic needs as regards energy as well as with the interests of the society and public in general.

Over the past few years, China has implemented various measures for promoting natural gas consumption and the application of natural gas in the water transportation sector, including the Guiding Opinions on Accelerating the LNG Utilization in Waterborne Industry (《關於加快推進水運行業應用液化天然氣(LNG)的指導意見》) issued by the Ministry of Transport in 2013, and such notices as the Administrative Measures of Standardized Subsidy Fund on Inland Canal Vessel (《內河船型標準化補貼資金管理辦法》) jointly issued by the Ministry of Finance and the Ministry of Transport in 2014. Also, in November 2014, the National Development and Reform Commission (the "NDRC") issued the Plan to Cope with Climate Changes (2014-2020) (《國家應對氣候變化規劃 (2014-2020年）》), pursuant to which, consumption of domestic natural gas is estimated to reach 360 billion cubic meters by 2020. At the same time, in respect of adjusting the structure of energies, China will promote the "coal-to-gas" conversion project, by which the demand for natural gas under such project will be presumed to reach 112 billion cubic meters, as estimated by the NDRC plan. This brings light to the fact that the country has been gradually enhancing its relevant support, which is beneficial for natural gas enterprises in their pursuit of achieving more substantial returns in future.

Moreover, according to the NDRC Jiangxi Bureau, as quoted by Jiangxi Daily, in an article titled "2020年江西將建成260座LNG汽車加氣站" on 14 August 2014. Jiangxi Provincial government has planned to facilitate the utilization of natural gas and pledges to complete the construction of 150 and 260 vehicle LNG stations and fulfill the target of 690 million and 1 billion cubic meters on vehicle LNG consumption by the end of 2017 and 2020 respectively. As such, the policy supports and attentions on the transportation natural gas field from the local government will be beneficial to the deepening of the Group's natural gas business in Jiangxi Province.

The Group has been proactively developing its business of vessel LNG utilization conversion. Not only is this in line with China's strategic needs in such areas as conserving energy, reducing emissions and promoting the application of natural gas, but the relevant patented conversion technology can also bring positive economic benefits to the vessel owners and users. The Group believes that the aforesaid advantageous policies, social conditions as well as the Group's unique patented technology will enable the Group to conduct its business of vessel LNG utilization conversion successfully, thereby creating value and augmenting the return to its shareholders. On this basis, the Group will also continue to expand its scope of business in the field of clean energy, strengthening its market position in the energy sector and enhancing its business income.

Looking forward, in light of the new opportunities and challenges, the Group believes that by leveraging on the combined efforts of its personnel and tapping its spirit of constant innovation, and with the continuous implementation of constructive strategic adjustments, the Group's overall operating performance will progress towards a more favourable direction. Due to its attractive prospects, the Group will continue to put in more efforts in accelerating the development of its clean energy business, which will be complemented by such business segments as mobile phone games and data cords, such that the optimised business structure for both the medium and long term can be achieved for maximising the overall returns and value for the Company's shareholders.

POTENTIAL ACQUISITION ACTIVITIES

During the Financial Year, the Group continued to seek for other investment opportunities so as to achieve the aims of business diversification and expand the source of income and optimize the returns to its shareholders. Apart from the recently developed natural gas business in Jiangxi province, the Group also kept abreast of other opportunities in the energy sector and entered into a memorandum of understanding ("MOU") on 10 January 2014 (as supplemented by three supplemental MOUs dated 9 October 2014, 20 January 2015 and 9 April 2015 respectively) with an independent third party, Mr. Wu Zhi Qiang ("Mr. Wu"), in relation to a potential acquisition of Jian Long Da Holdings Limited (the "First Target Company") to engage in the construction and operation of centralized heating facilities in Wangdu county of Hebei province. The First Target Company is incorporated in Hong Kong and has signed a framework agreement with the People's Government of Wangdu City to set up a PRC project company with the exclusive right to construct and operate centralized heating facilities in Wangdu County for a term of 30 years. Pursuant to the MOU and the 3 supplemental MOUs, the Group has an exclusivity period of 18 months from the date of the first MOU, i.e. 10 January 2014, to negotiate the potential acquisition with Mr. Wu.

Should the Company decided to proceed with the purchase of the First Target Company (subject to the results of the due diligence exercise), the funding of the purchase shall be internally generated funds or through a placement to be arranged, subject to share the financial circumstances of the Group at the date of the decision to make purchase.

Besides, the Group entered into another MOU on 7 August 2014 (as supplemented by two supplemental MOUs dated 20 October 2014 and 12 February 2015 respectively) in relation to investment in the controlling stake of a target company (the "Second Target Company") engaging in the business of distribution of glass products. Pursuant to the proposed investment, the Second Target Company established a PRC subsidiary, which has entered into an exclusive distribution agreement with Luoyang Longxin Glass Company Limited to distribute its products for 10 years. Upon satisfactory due diligence results and professional valuation of the Second Target Company being not less than RMB80,000,000 on acceptable assumptions, the Company would acquire not less than 51% shareholding interests in the Second Target Company. Deposits in the aggregate amount of HK$32 million has been paid to a shareholder of the Second Target Company as earnest money and will be applied as partial payment of the consideration for the proposed investment when the formal agreement is signed. However, if the deal falls apart, the whole deposit shall be returned to the Company.

As at the date of this announcement, the Company is still in the course of conducting due diligence on the above two potential acquisitions and no legally binding agreements have been entered into. Should the Company decided to proceed with the purchase of the Second Target Company (subject to the results of the due diligence exercise), the funding of the purchase shall be internally generated funds or through a placement to be arranged, subject to share the financial circumstances of the Group at the date of the decision to make purchase.

The Board is of the view that the above potential acquisitions represent for the Group an opportunity to participate in China's centralised heating facilities business and glass products distribution, and are expected to enhance the Group's investment portfolio and future earnings.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company ("2015 Annual General Meeting") will be held on Thursday, 30 July 2015.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the Shareholders who are entitled to attend and vote at the 2015 Annual General Meeting, the register of members of the Company will be closed from Tuesday, 28 July 2015 to Thursday, 30 July 2015, both days inclusive, during which no transfer of shares of the Company will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar and Transfer Agent in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on Monday, 27 July 2015.

EMPLOYEES' REMUNERATION POLICY

As at 31 March 2015, the Group employed 343 (2014: 539) full time employees mainly in the PRC and Hong Kong. The Group's remuneration policy is reviewed periodically and determined by reference to the market terms, the Group's performance, and the individual's qualifications and performance. Employee benefits include the mandatory provident fund scheme for Hong Kong employees and central pension schemes operated by the local municipal governments for employees in the PRC. The Group also provides training programs for its employees to equip themselves with the requisite skills and knowledge and offer a share option scheme to recognise significant contributions made by the employees to the Group.

During the Financial Year, 1,201,740,000 share options (2014: 60,500,000 share options, after share subdivision) were granted to eligible participants under the share option scheme of the Company.

Total staff costs (including Directors' remuneration) for the Financial Year amounted to approximately HK$45.2 million (2014: approximately HK$67.5 million).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2015, the aggregate carrying value of the indebtedness of the Group was approximately HK$129.4 million (2014: approximately HK$115.8 million), which comprised of promissory notes, convertible bonds (liability components) and bank borrowings. The indebtedness are denominated in Hong Kong dollars. Details of the maturity profile and interest rate ranges of the indebtedness of the Group are set out in note 28, 29 and 30 to the financial statements. As at 31 March 2015, the Group had bank and cash balances of approximately HK$100 million (2014: approximately HK$91.2 million).

As at 31 March 2015, the Group's trade receivables was approximately HK$18.6 million (2014: approximately HK$25.7 million), representing approximately 23.4% (2014: approximately 20%) of the Group's turnover of approximately HK$79.6 million (2014: approximately HK$128.3 million) for the Financial Year. The Group adopted a stringent credit policy to minimize credit risk.

As at 31 March 2015, the ratio of current assets to current liabilities of the Group was approximately 2.59 (2014: approximately 1.49). As at 31 March 2015, the Group's gearing ratio was approximately 33% (2014: 34%). This was based on the division of the total indebtedness of the Group by the aggregate amount of total indebtedness and total equity attributable to owners of the Company. The Directors, taking into account of the nature and scale of operations and capital structure of the Group, considered that the gearing ratio as at 31 March 2015 was reasonable.

Details of the share capital structure of the Company as at 31 March 2015 are set out in note 33 to the financial statements.

SECURITIES IN ISSUE

During the Financial Year,

(1) on 24 September 2014, 1,452,900,000 new ordinary shares at the placing price of HK$0.10 per share were issued to independent third parties.

(2) 55,000,000 new ordinary shares were issued upon the exercise of share options under the share option scheme of the Company.

As at 31 March 2015, there were 8,772,400,000 ordinary shares in issue and potential ordinary shares arising from:

(i) convertible bonds in the respective outstanding principal amount of HK$55,500,000 (due in July 2015), HK$15,600,000 (due in September 2015), HK$22,100,000 (due in November 2015) and HK$20,600,000 (due in January 2016), all at the conversion price of HK$0.237 per share (subject to anti-dilutive adjustments); and

(ii) 1,366,740,000 share options conferring rights to subscribe for ordinary shares of the Company, at exercise prices ranging from HK$0.082 to HK$0.155 per share.

Save as disclosed above, there was no change in the issued share capital of the Company during the Financial Year.

EXPOSURE TO FOREIGN EXCHANGE RISK

The Group operates mainly in Hong Kong and the PRC and is exposed to minimal foreign exchange risks arising from various currency exposures, primarily with respect to the Renminbi (”RMB”) and United States dollar (“US$”). The Group mitigates these risks by maintaining HK$, US$ and RMB bank accounts to pay for the transactions denominated in these currencies respectively. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. During the Financial Year, the Group had not used any financial instruments for hedging purposes. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

PLEDGE OF ASSETS

As at 31 March 2015, the Group’s following assets are pledged to secure its bank borrowings:

a) The Group’s leasehold land and buildings with an aggregate carrying value of approximately HK$4,175,000 (2014: approximately HK$4,304,000); and

b) The bank borrowings were also secured by corporate guarantees provided by the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the securities of the Company during the Financial Year.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance to safeguard the interests of its Shareholders and enhance its corporate value. The Company’s corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the Corporate Governance Code and Corporate Governance Report in Appendix 15 to the GEM Listing Rules (the “CG Code”).

During the Financial Year, the Company had complied with the code provisions in the CG Code with the exception of the CG Code provisions A.2.1 and A.6.7. Details of such deviation will be explained below.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises Mr. Lau Sung Tat, Vincent, Ms Eugenia Yang and Mr. Na Ka Chung, all of whom are independent non-executive directors of the Company. The Audit Committee has adopted terms of reference which are in line with the code provisions of the CG Code. The Audit Committee has reviewed the results of the Group for the Financial Year.

PRELIMINARY ANNOUNCEMENT OF THE RESULTS

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2015 have been agreed by the Company's auditors, Elite Partners CPA Limited, to the amounts set out in the Company's draft consolidated financial statements for the Financial Year. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Elite Partners CPA Limited on the preliminary announcement.

APPRECIATION

On behalf of the Board, I would like to extend my sincere gratitude to our business partners, shareholders, staff and management for their continuous dedication, commitment and support.

By Order of the Board
China Oil Gangran Energy Group Holdings Limited
Zou Donghai
Chairman

Hong Kong, 23 June 2015

As at the date of this announcement, the executive Directors are Mr. Zou Donghai, Mr. Zhang Xueming, Mr. Rong Changjun, Mr. Ho Chun Kit Gregory and Mr. Chan Lung Ming; and the independent non-executive Directors are Ms. Eugenia Yang, Mr. Ng Ka Chung and Mr. Lau Sung Tat, Vincent.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at http://www.hkgem.com for at least 7 days from the date of its posting and on the websites of the Company at www.chinaoilgangran.com and http://chinaoilgangran.todayir.com.